

Sixty-fourth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2178

Introduced by

Senators Schaible, Heckaman, G. Lee, Rust

Representatives Kempenich, Rohr

1 A BILL for an Act to create and enact a new section to chapter 15.1-36 of the North Dakota  
2 Century Code, relating to the school district construction fund; to provide an appropriation; and  
3 to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 15.1-36 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **School construction loans - Bank of North Dakota.**

- 8 1. In addition to any construction loans made available under section 15.1-36-02, the  
9 Bank of North Dakota may provide up to two hundred fifty million dollars to eligible  
10 school districts for school construction loans.
- 11 2. To be eligible for a loan under this section, the board of a school district shall:
- 12 a. Propose a new construction or remodeling project with a cost of at least  
13 one million dollars and an expected utilization of at least thirty years;
- 14 b. Obtain the approval of the superintendent of public instruction for the project  
15 under section 15.1-36-01;
- 16 c. Receive authorization for a bond issue in accordance with chapter 21-03; and  
17 d. Submit a completed application to the Bank of North Dakota.
- 18 3. With the advice and consent of the superintendent of public instruction, the Bank of  
19 North Dakota shall award the loans in accordance with a prioritization system that  
20 gives consideration to:
- 21 a. Student occupancy and academic needs in the district;
- 22 b. The age of existing structures to be replaced or remodeled;
- 23 c. Building design proposals that are based on safety and vulnerability  
24 assessments;

- 1           d. Community support;  
2           e. Cost; and  
3           f. Any other criteria established in rule by the superintendent of public instruction,  
4             after consultation with an interim committee appointed by the legislative  
5             management.
- 6           4. The term of a loan under this section is twenty years, unless a shorter term is  
7             requested by the board of a school district in its application.
- 8           5. The interest rate on a loan under this section may not exceed one percent, until July 1,  
9             2025.
- 10          6. If a school district's unobligated general fund balance on the preceding June thirtieth  
11             exceeds the limitation set forth under section 15.1-27-35.3, the loan amount to which  
12             that district is entitled under this section may not exceed eighty percent of the project's  
13             cost.
- 14          7. The maximum loan amount to which a school district is entitled under this section is  
15             thirty million dollars.

16           **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the general  
17 fund in the state treasury, not otherwise appropriated, the sum of \$19,697,572, or so much of  
18 the sum as may be necessary, to the Bank of North Dakota for the purpose of providing a  
19 school construction interest rate buydown program, for the biennium beginning July 1, 2015,  
20 and ending June 30, 2017.

21           **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.